The Saskatchewan
Water Appeal Board

Annual Report 2000–2001

Saskatchewan Water Appeal Board

Table of Contents

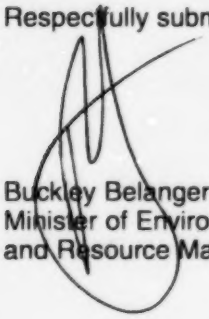
		Page
1.	Letters of Transmittal	2
2.	Chairperson's Comments	3
3.	Board Members	4
4.	Table No. 1 — Appeals/Hearings	5
5.	Board's Report	6
6.	Auditor's Report and Financial Statements	7–10
7.	Notes to the Financial Statements	11–12

Her Honour L. Haverstock
Lieutenant Governor of Saskatchewan
Government House
4607 Dewdney Avenue
Regina, Saskatchewan
S4P 3V7

Dear Ms. Haverstock:

It is my pleasure to submit to you the Annual Report for the Water Appeal Board for the fiscal year ending March 31, 2001.

Respectfully submitted,



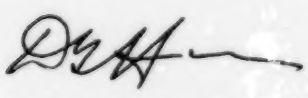
Buckley Belanger
Minister of Environment
and Resource Management

Honourable Buckley Belanger
Minister
Saskatchewan Environment and
Resource Management
Legislative Building
Regina, Saskatchewan
S4S 0B3

Dear Mr. Belanger:

I am pleased to present the Annual Report of the Water Appeal Board for the fiscal year ending March 31, 2001.

Respectfully submitted,



Donald G. Horner,
Chairperson

Chairperson's Comments

August 3, 2001

The Water Appeal Board came into effect July 1, 1984, replacing the Drainage Appeal Board. The board is composed of five members appointed by Order in Council. The members are drawn from across the Province and hear appeals of decisions of the Saskatchewan Water Corporation. The Board receives grant funding from the General Revenue Fund and has full responsibility for its financial operation.

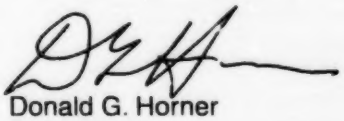
The Water Appeal Board was created to hear and determine appeals made to it by any person affected by the action, order or decision of the Saskatchewan Water Corporation. The Board has the power to reconsider the decision being challenged, and has the authority to "...affirm, vary, substitute its own decision, or make any order it considers appropriate." The Board has no authority to order monetary compensation to an aggrieved party, or to enforce its own orders.

Most appeals involve farm drainage disputes which typically take one or two days to hear. Hearings are held mainly in the fall and winter months, since several of the members are engaged in farming operations during the spring and summer.

The most significant event of the year was the judgment of Mr. Justice Barclay of the Court of Queen's Bench in *Grabarczyk et al v. the R.M. of Emerald No. 277 et al,* in which the decisions of both the Saskatchewan Water Corporation and this Board were quashed because the Water Corporation had not properly advised the parties of their prior right to a hearing before the Water Corporation.

With this judgment the Board faced the prospect of hearing appeals and having its decisions quashed on procedural grounds. Accordingly, the Board launched a process to determine in each of its outstanding appeals whether the parties had been given proper notice of their right to a Water Corporation hearing. The end result of this process was the dismissal of 14 appeals, which were remitted back to the Water Corporation to be dealt with in accordance with Justice Barclay's judgment.

Once again, I would like to express my thanks to the other members of the Board for the time they have devoted to the business of the Board during the past year. Also, a special thanks to our secretary, M. Linton, for her very efficient management of the Board's daily operations.



Donald G. Horner
Chairperson

Board Members

Chairperson:	Donald G. Horner P.O. Box 51 Creelman, Saskatchewan S0G 0X0
Vice-Chairperson:	Val Kononoff P.O. Box 70 Arelee, Saskatchewan S0K 0H0
Member:	Jeanette Bell P.O. Box 1166 Rosetown, Saskatchewan S0L 2V0
Member:	Wayne Randall 2206 Richardson Road Saskatoon, Saskatchewan S7L 4B7
Member:	Janice Ruether P.O. Box 106 Bjorkdale, Saskatchewan S0E 0E0

Table No. 1

Appeals/Hearings	2001	2000	1999	1998	1997
Waiting to be heard at beginning of year	26	27	23	20	6
New appeals filed	10	23	16	17	23
Appeals heard	4	16	10	10	7
Appeals withdrawn and/or dismissed	21*	4	2	3	2
Appeals filed but not accepted	1	4	—	1	—
Appeals waiting to be heard at year end	10	26	27	23	20
Appeals ordered to be heard or re-heard from the Queen's Bench	—	1	—	—	—
Board meetings	14	16	12	18	16
Decisions rendered	4	15	9	14	3
Decisions outstanding	2	2	1	—	4
Saskatchewan Water Corporation decisions affirmed	2	14	8	10	2
Saskatchewan Water Corporation decisions varied or overturned	2	1	1	4	1
Decisions appealed to the Court of Queen's Bench	2	11	4	1	—

* On April 20, 2000 Mr. Justice Barclay of the Court of Queen's Bench rendered his decision in the matter of *Grabarczyk et al v. The R.M. of Emerald No. 277 et al.* The result of Mr. Justice Barclay's decision is that there is a duty on the Saskatchewan Water Corporation to advise the parties to a complaint made to the Water Corporation under s. 65 of *The Water Corporation Act* that they are entitled to appear and be represented and to be heard before the Water Corporation in the matter of the complaint; and to advise the parties that, if they wish to have a hearing into the complaint before the Water Corporation, they must serve a written notice to that effect in accordance with the provisions of s. 67 of the said Act.

This decision of Mr. Justice Barclay led to the eventual dismissal of 14 appeals before the Water Appeal Board at that time. Five appeals went to a procedural hearing on December 4, 2000, resulting in the Board's decision dated January 23, 2001 quashing the decisions and orders of Saskatchewan Water Corporation, dismissing the appeals to the Board and remitting the matters back to Saskatchewan Water Corporation to be dealt with according to law.

Board's Report

To the Members of the Legislative Assembly of Saskatchewan

The Water Appeal Board consists of five members appointed by the Lieutenant Governor in Council. The Board is responsible for financial administration, administration of the funds and management of the assets.

The financial statements which follow have been prepared in conformity with accounting principles generally accepted in Canada and have been approved by the Board. The Board uses internal controls and exercises its best judgement in order that the financial statements reflect fairly the financial position of the Board.

The financial statements have been examined by the Acting Provincial Auditor whose report follows.

Regina, Saskatchewan
July 18, 2001

Donald G. Horner
Chairperson

102-00017/

Water Appeal Board Financial Statements
Year Ended March 31, 2001
Office of the Provincial Auditor
Regina, Saskatchewan

Auditor's Report

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Water Appeal Board as at March 31, 2001 and the statements of operations and net assets, and cash flows for the year then ended. The Board's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
June 13, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Water Appeal Board
Statement of Financial Position
As at March 31

	2001	2000
Assets		
Current assets:		
Cash	$33,860	$11,784
Accrued interest	138	47
	33,998	11,831
Capital assets (Note 3)	—	1,529
	$33,998	$13,360
Liabilities & Net Assets		
Current liabilities:		
Accounts payable	$2,399	$6,388
Appellant deposits (Note 4)	2,400	6,000
	4,799	12,388
Net assets (Statement 2)	29,199	972
	$33,998	$13,360

(See accompanying notes to the financial statements)

Water Appeal Board
Statement of Operations and Net Assets
For the Year Ended March 31

	2001 Budget	2001 Actual	2000 Actual
Revenues:	(Note 6)		
Grant from Department of Environment and Resource Management—General Revenue Fund		$ 90,000	$ 80,000
Transcript fees		17	1,434
Interest		2,550	1,072
Appellant fees (Note 4)		600	3,000
		93,167	85,506
Expenses:			
Board honorariums	$ 34,200	$ 22,030	$ 29,887
Travel and sustenance	25,000	11,751	17,580
Secretarial services	17,500	15,537	19,430
Professional fees	12,000	1,471	9,819
Office supplies (including postage, photocopying)	5,500	3,729	4,227
Meeting room rental	5,500	2,045	4,185
Transcript fees	3,000	486	1,434
Office rental	2,500	2,683	2,699
Telephone	3,500	3,074	3,384
Amortization of capital assets	—	1,529	1,667
Accounting and printing services	1,500	422	360
Other	1,000	183	470
	$ 111,200	64,940	95,142
Surplus (Deficit) for the year		28,227	(9,636)
Net assets, beginning of year		972	10,608
Net assets, end of year—to Statement 1		$ 29,199	$ 972

(See accompanying notes to the financial statements)

Water Appeal Board
Statement of Cash Flows
Year Ended March 31

	2001	2000
Cash flows from operating activities:		
Cash received from General Revenue Fund	$90,000	$80,000
Cash received from appellants (Note 4)	1,800	3,800
Cash received from customers	17	1,434
Interest received	2,459	1,111
Cash paid to board members for honoraria, travel and sustenance	(33,781)	(47,467)
Cash paid to appellants (Note 4)	(4,800)	(800)
Cash paid to suppliers	(33,619)	(48,432)
Net increase (decrease) in cash	22,076	(10,354)
Cash, beginning of year	11,784	22,138
Cash, end of year	$33,860	$11,784

(See accompanying notes to the financial statements)

Water Appeal Board
Notes to the Financial Statements
March 31, 2001

1. Authority

The Water Appeal Board was established under *The Water Appeal Board Act,* on July 1, 1984. The purpose of the Board is to hear and determine appeals made to it pursuant to *The Water Corporation Act.*

2. Significant Accounting Policies

These financial statements have been prepared using generally accepted accounting principles. The following accounting policies are considered significant.

a) Grant from the General Revenue Fund

The grant from the General Revenue Fund is recognized when appropriated and received.

b) Appellant fees

Appellant deposits are recognized as appellant fee revenue when the appeals have been heard and the appellant is not successful in his/her appeal.

c) Capital assets

Capital assets are recorded at cost and amortized over their useful lives. Amortization of equipment is calculated on a straight-line basis over three years.

3. Capital Assets

	Cost		Accumulated Amortization		Net Book Value	
	2001	2000	2001	2000	2001	2000
Equipment	$ 9,514	$ 9,514	$ 9,514	$ 7,985	$ —	$ 1,529

4. Appellant Deposits

Appellant deposits are held by the Board until the appeal has been heard and the decision rendered. Once the decision has been rendered by the Board these deposits are dealt with in one of two manners:

i) The deposit is returned to the appellant if he/she has been successful in his/her appeal.

ii) The deposit is retained by the Board and recorded as income if the appellant is not successful in his/her appeal.

At year end, the Board had 10 outstanding appeals.

5. Financial Instruments

The Board's financial instruments include cash, accrued interest, accounts payable and appellant deposits. The fair value of these instruments approximates their carrying value due to the immediate or short-term nature of these financial instruments.

6. Budget

These amounts represent the budget approved by the Water Appeal Board.

7. Related Party Transactions

These financial statements include transactions with related parties. The Board is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Board is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. Routine related party transactions included expenses totalling $5,152 (2000—$5,822) and account payables at March 31, 2001 of $245 (2000—$857).

The Board pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

8. Contingency

The Court of Queen's Bench has quashed one of the Board's decisions. The Court's judgment also found the Board responsible for the cost of the Court hearing. The Board has launched an appeal of the Court's cost order. The ultimate outcome of this action is not yet determinable. Any payments arising from the resolution of this action will be accounted for as an expense of the year in which the settlement occurs.

Honoraria to Board Members
Fiscal 4/1/00 to 3/31/01

Date	D. Horner	V. Kononoff	J. Bell	W. Randall	J. Ruether	Total
05/02/00		$155.00				$155.00
06/26/00	$1,410.00	$465.00	$465.00	$775.00	$465.00	$3,580.00
11/01/00	$1,175.00	$310.00	$310.00	$387.50	$310.00	$2,492.50
11/15/00	$940.00	$77.50	$542.50	$542.50	$542.50	$2,645.00
12/06/00	$940.00		$620.00	$620.00	$620.00	$2,800.00
01/23/01	$2,115.00	$542.50	$542.50	$542.50	$542.50	$4,285.00
02/06/01	$705.00	$465.00	$465.00		$465.00	$2,100.00
03/06/01	$1,880.00		$542.50	$775.00	$465.00	$3,662.50
3/31/01 (payable)		$77.50	$77.50	$77.50	$77.50	$310.00
	$9,165.00	$2,092.50	$3,565.00	$3,720.00	$3,487.50	$22,030.00